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TILLAMOOK COUNTY (OREGON). PRELIMINARY ECONOMIC RECONNAISSANCE AND ESTIMATE OF GROWTH, 1960-2010

Public Health Service
Portland, Oregon

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COLUMBIA RIVER BASIN PROJECT
For Water Supply and Water Quality Management

TILLAMOOK COUNTY (OREGON)
PRELIMINARY ECONOMIC RECONNAISSANCE AND ESTIMATE OF GROWTH, 1960-2010

DATE: January 21, 1965

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U. S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Public Health Service
Region IX

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TILLAMOOK COUNTY (OREGON)
PRELIMINARY ECONOMIC RECONNAISSANCE AND ESTIMATE
OF GROWTH, 1960-2010

I. PRESENT POPULATION AND ECONOMIC BASE

A. Population

Tillamook County had in 1960 a population of 18,955. Population density is low throughout most of the county with about 75 percent of the total population residing in small towns and unincorporated areas along the coast. The Tillamook Bay area, including the City of Tillamook, Bay City, and Garibaldi, is the focus of economic activity and population concentration in the county. While there has been in the past decade an out-migration from most areas of the county, following the salvage harvest of the Tillamook Burn, the Bay Region has continued to grow; in 1960 the Bay Region contained about 40 percent of the population. Table 1 lists the populations of the county and incorporated cities over 200 people in 1950 and 1960.

B. General Economic Base

The economy of Tillamook County depends heavily on two basic industries--forest products and dairying. Just how dependent the county is on these two sources of jobs and incomes can be seen in the distribution of the labor force as listed in Table 2. Of the 6,705 persons employed in 1960, 27 percent were employed in forest industry, 14 percent were employed in agriculture, and about 4 percent were employed in food processing, primarily cheese and milk products. Of the remaining 55 percent of the labor force, over 46 percent were

TABLE 1

TILLAMOOK COUNTY POPULATION--1950-1960[a/]

AREA	POPULATION 1950	1960	% Change
Tillamook Co.--Total	18,606	18,955	1.8
Bay City	761	996	30.8
Garibaldi	1,233	1,163	-5.6
Rockaway	1,027	771	-24.9
Manzanita	339	363	7.0
Nehalem	270	233	-13.7
Wheeler	291	237	-18.5
Tillamook	3,685	4,244	15.1

[a/] U. S. Census of Population, 1950, 1960.

TABLE 2

INDUSTRIAL DISTRIBUTION OF LABOR FORCE, TILLAMOOK COUNTY

INDUSTRIAL GROUP	NO. EMPLOYED		% OF 1960 LABOR FORCE	
	1950	1960	Tillamook Co.	U. S.
Agriculture	1,215	911	13.5	6.2
Forestry & Fisheries	88	91	1.3	0.1
Mining	5	8	0.1	0.9
Construction	412	243	3.7	5.6
Manufacturing	2,463	2,127	31.8	25.7
Wood products	2,159	1,792	26.7	1.5
Other durable goods	33	37	0.5	12.9
Food and kindred prod...	202	253	3.7	2.6
Non-durable goods.....	69	55	0.7	8.7
Services	2,934	3,110	46.4	56.6
Unemployment	327	215	3.2	4.9
TOTAL LABOR FORCE	7,444	6,705	100.0	100.0

employed in the service industries. The recreation-tourist industry is a third major factor in the county economy.

C. Lumber and Wood Products

Although employment in wood processing dropped between 1950 and 1960 with the completion of fire-killed timber salvage, in 1962, for the first time in at least a decade, annual sawmill capacity was increased by the establishment of a substantial new sawmill, reversing a long trend of mill closures. Plywood and veneer capacity increased during the past few years until in 1963 it was 136 percent of the 1952 level. Wood processing is dominated by four large manufacturers in the Tillamook Bay area:

Company	Product	Capacity	Employment
Tillamook Veneer Co.	Plywood	85 million sq.ft./yr.	244
Oregon-Wash. Plywood Co.	Plywood	90 million sq.ft./yr.	260
Diamond Lumber Co.	Lumber	250,000 bd. ft./day	175
Tillamook Lumber Co.	Lumber	100,000 bd. ft./day	75

About 55 percent of the actual log production in the county is processed in the county.

D. Agriculture and Food Processing

In Tillamook County about 90 percent of the agricultural income is from the dairy industry. Two large dairy associations, both located in the City of Tillamook, process raw milk into Tillamook cheese, butter, and other milk products. Most of the 445 small dairy farms are members of the Association. Although the number of cattle has not increased over the past decade, milk production has increased over 16 percent while

the trend in Oregon has been a decline. Production of cheese has not increased substantially since 1941 but fluid sales have increased annually to 45 million pounds in 1963, about one-third of the total volume of milk produced in the county in that year. Most of the fluid milk is marketed in Portland.

E. Recreation

Services provided for the tourist industry are a major factor in the economy of Tillamook County. A series of beaches, bays, and inlets along the coast provides excellent recreation and has induced the development of clusters of summer dwellings and weekend cottages. An excellent sport fishery in the various coastal streams which culminate in Tillamook Bay is an additional recreation incentive.

II. ESTIMATED FUTURE GROWTH

Economic projections for 1985 and 2010 must of necessity be based on assumptions evolving from consideration of the resource base, the evolution of social attitudes, and the development of technology, all of which affect output levels, productivity, and employment. The forecast must, therefore, be interpreted as a model based on an outline of probabilities and not a detailed prediction of the future.

A. Lumber and Wood Products

The output of forest products in Tillamook County may be anticipated to expand. Although salvage logging in the Tillamook Burn is virtually completed and only a small amount of old-growth timber remains in the county, a substantial volume of young growth will support a sizable timber industry in the future. The following assumptions outline a projection for the industry's development by 1985.

1. The annual cut will increase at a rate somewhat over that of the national population growth until the optimum sustained yield of 420 million board feet is reached. With the cutting rate increasing at a 2.2 percent annual rate, the yield in 1985 would be 375 million board feet.

2. Because utilization techniques for young growth have been established and because there is a sufficient national market for young-growth products, utilization will be more intense and more varied in 1985, after present facilities have been revamped to utilize smaller logs more efficiently. Additional productivity per worker is assumed to be balanced by increased utilization of wood and shorter working hours, and employment is assumed to increase in direct proportion to the cut.

3. The advantage of local processing markets both in nearness to the timber and a downhill haul to the Tillamook Bay area makes it reasonable to assume that timber-converting facilities will in that area continue to process at least 55 percent of the logs harvested in the county. Plywood production should increase substantially, and the production of hardboard, pressboard, or similar products seems likely. Although the production of wood pulp and paper in the area does not seem probable, surrounding operations in the Portland area and proposed plants in Wauna and Prescott assure a market for a considerable volume of chips.

B. Agriculture and Food Processing

The dairy industry may be expected to continue to be a major force in the economy of Tillamook County. Although actual inputs of pastureland and animals are not expected to increase substantially and in fact may decrease, increased efficiency in production of raw milk from the present average of 8,000 pounds per cow per year is expected to increase up to about 12,000 pounds per cow per year. Based on this assumption, milk production would grow to an annual output of about 220 million pounds in 1985 compared with 141 million pounds produced in 1963. The actual labor force involved in agriculture, however, is expected to decrease due to the trend toward larger, more efficiently managed herds.

With an increase in milk production, the processing of milk products can be expected to increase in Tillamook County. The market for Tillamook cheese will increase with the national trend of processing

more milk products and less fluid milk. Assuming that the 66 percent of the total milk production utilized in processing milk products will hold constant, the output of milk products manufacturing in Tillamook County should double by 1985.

A second food-processing potential is the handling of shellfish. Efforts are presently being made to increase the production of oysters in the Tillamook and Netarts Bays.

C. Services

Although service employment in Tillamook County rose much less rapidly than in the Nation as a whole during the last decade, an expanding recreation and tourist industry should bring the percentage of the labor force employed in services closer to the national distribution. The progressive improvement of U. S. Highway 101, the completion of the Astoria-Megler Bridge, the improvement of the Tillamook Bay Harbor, and the continued expansion of the quality and variety of tourist facilities should result in strong increases in the number of tourists visiting Tillamook County. For the purpose of drawing an economic design of the area for the period 1960-1985, it is assumed that the portion of the labor force engaged in trade and services will continue to increase at an incremental 0.3 percent per year.

D. Future Labor Force and Population

Table 3 summarizes the design pattern of the 1985 economy in terms of the labor force in contrast with the 1960 employment. If it is assumed that the labor force/population ratio continues to stand at about 38 percent, then a population of 34,500 is indicated for

TABLE 3

SUMMARY OF 1960 AND ILLUSTRATIVE 1985 LABOR FORCE AND POPULATION

INDUSTRIAL GROUP	1960	1985
Agriculture	911	730
Forestry, Fisheries, Mining	99	262
Construction	243	720
Manufacturing	2,127	3,790
Forest Products	1,792	3,100
Food Processing	253	430
Other	92	260
Trades and Services	3,110	7,075
Unemployed	215	523
TOTAL LABOR FORCE	6,705	13,100
POPULATION	18,600	34,500

Tillamook County in 1985. Such an increase indicates a compounded annual rate of 2.5 percent, somewhat higher than the 2.0 percent forecast for Oregon and the 1.8 percent forecast for U. S.

Although an attempt to project population through 2010 by the same means is feasible, uncertainty resulting from changes in productivity, technology, and social attitude makes such an attempt seem fruitless. Therefore a more general approach will be employed based on the following assumptions:

1. Industrial growth based on resource expansion will end by about 1990 with the cutting of forests at the ultimate sustained yield level. Continuing growth through superior utilization will be slower.

2. Growth from 1985-2010, based on urban spillover and development of services, while slower than 1960-1985, will be sufficient to provide for the period 1960-2010 a rate of population growth--relative to the Nation's--equal to that of 1930-1960, when the area's population expanded at a rate 22.5 percent higher than the Nation's.

3. On these terms, 2010 population would amount to 51,000, based on a growth rate of 1.6 percent per year from 1985 to 2010.

E. Population Distribution

Table 4 presents a hypothetical distribution of forecasted populations in Tillamook County, 1960-2010. Based on the 1940-1950 census trends, which reflected a growing lumber and wood products economy, it is assumed that the county, outside the Tillamook Bay area, may be anticipated to grow at about 40 percent of the rate projected for the county as a whole. The City of Tillamook is expected to remain the focus of industrial activity and population concentration,

TABLE 4
POPULATION DESIGN: 1960, 1985, 2010

AREA	POPULATION 1960	1985	2010
Tillamook County (total).....	19,000	34,500	51,000
Nehalem-North Coast	3,200	5,000	5,800
Tillamook Bay Area	10,900	23,300	37,900
City of Tillamook	4,200	8,600	12,700
South Coast	1,500	1,900	2,200
All Other	3,400	4,300	5,100

and will continue to contain roughly a quarter of the county population in 1985-2010, following the trend of the last three decades.